

AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE SARTI GROUP, LTD

THIS AGREEMENT is entered into 24 June, 2002, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and The Sarti Group, LTD, acting by and through its duly authorized Officer (the "Sarti").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-408 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The Sarti has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the Sarti.

3. The State has an improvement project on SR-69 at Holiday Drive (MP 294.4), which includes the fourth leg of the signalized intersection and right turn deceleration lane at Holiday Drive. (covered by agreement JPA 00-190, with the City of Prescott, attached hereto by reference). The Sarti requests the State design and construct approximately 120 feet of (westbound to northbound) right turn lane, to accommodate ingress at the Sarti development, herein referred to as the "Project". The Sarti agrees to fund an amount currently estimated at and not to exceed \$30,000.00.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

NO. 25330
Filed with the Secretary of State
Date Filed: 06/24/02
Betsy Gayless
Secretary of State

By Wm J. Haernewald

II. SCOPE OF WORK

1. The State will:

a. Provide to State standards design plans, specifications and such other documents and services required for construction bidding and construction of the Project. Incorporate or promptly resolve Sarti review comments.

b. Prior to the award of the Project construction, invoice the Sarti for the actual cost of the Project bid amount, currently estimated at an amount not to exceed \$30,000.00.

c. Pursuant to A.R.S. 28-6923, by formal Resolution to the State Transportation Board, recommend the Project be approved for construction.

d. Hereby agree to be authorized agent for the Sarti and upon approval of the State Transportation Board, will call for bids, award one or more construction contract(s) for the Project, including construction of the fourth leg of the signalized Holiday Drive intersection and right turn deceleration lane, (covered under JPA 00-190). Administer same and make all payments to the contractor(s). Confer with the Sarti on any Project related contract modifications. Be responsible for any contractor claims for extra compensation due to delays or whatever reason attributable to the State.

e. Upon completion, approve and accept the Project on behalf of the parties hereto, and provide maintenance inside the State right-of-way.

2 The Sarti will:

a. Upon execution of this agreement and receipt of an invoice remit payment for the cost of the right turn lane including the design cost, in an amount currently estimated, and not to exceed \$30,000.00

b. Review the design documents and provide comments as appropriate. The Sarti will and does hereby designate the State, as authorized agent for the Sarti.

c. Prior to the start of construction and upon receipt of an invoice from the State, be responsible for and remit payment for the actual bid amount, currently estimated not to exceed \$30,000.00. In addition, be responsible for any Project related contract modifications. Be responsible for any contractor claims for extra compensation due to delays or whatever reason attributable to the Sarti on the Project.

d. Provide a road easement to the City of Prescott through the Sarti property for a future City roadway, to allow access to the Holiday Drive signal for the adjacent properties.

III. MISCELLANEOUS PROVISIONS

1. This agreement, or any part of this agreement, or the rights hereunder, and all duties and rights thereto, shall not be transferred or assigned without the written permission of the State and shall remain in force and effect until completion of said project and payments, provided; however, that this agreement may be cancelled at any time prior to advertisement project design performance under this agreement, upon thirty (30) days written notice to the other party.

2. It is understood by the parties herein, should the Sarti cancel this agreement prior to advertisement, the Sarti will be responsible for all costs up to the time of cancellation. Said costs will be deducted from the amount on deposit with the State. The State will return any monies to the Sarti, after State's costs have been deducted.

3. This agreement shall become effective upon execution by the parties hereto. The State assumes no liability under this agreement. The Sarti assumes full responsibility for the acquisition of right of way, right-of-way plans, project design, plans and specifications, reports, construction and the engineering in connection therewith, cost over-runs and claims. It is agreed that any damages arising from carrying out, in any respect, the terms of this agreement or any modification thereof, shall be solely the liability of the Sarti and that the Sarti hereby agrees to save and hold harmless and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all cost and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, or event arising out of the performance or nonperformance of any provisions of this agreement by the State, any of its departments, agencies, officers and employees, the Sarti, any of its agents, officers and employees, or any of its independent contractors. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, and court costs, expenses of litigation or attorneys' fees.

4. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of state employees.

5. The provisions of Arizona Revised Statutes Section 35-214 pertaining to audit are applicable to this contract.

6. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

7. All notices or demands upon any party to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

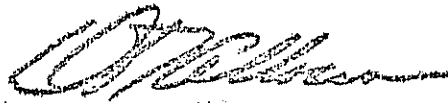
Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

The Sarti Group, Ltd.
1586 Conifer Ridge Lane
Prescott, AZ 86303

RESOLUTION

BE IT RESOLVED on this 12th day of July, 2001, that I, the undersigned MARY E. PETERS, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the Sarti Group, LTD, for the purpose of defining responsibilities for the design, construction modification and maintenance of a westbound to northbound right turn lane, incident to the State's improvement project on SR 69 at Holiday Drive, in the City of Prescott.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Deputy State Engineer for approval and execution.

A handwritten signature in black ink, appearing to read 'David R. Allocco', is written over a horizontal line.

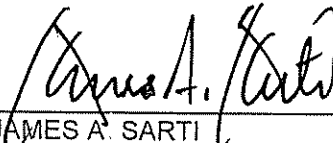
DAVID R. ALLOCCO, P.E.
Assistant State Engineer
Engineering Technical Group


for MARY E. PETERS, Director

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

THE SARTI GROUP, LTD

STATE OF ARIZONA
Department of Transportation

By 
JAMES A. SARTI
President

By 
WILLIAM J. HIGGINS, P. E.
Deputy State Engineer

ATTEST

By 
SECRETARY



JANET NAPOLITANO
ATTORNEY GENERAL

STATE OF ARIZONA
OFFICE OF THE ATTORNEY GENERAL
TRANSPORTATION SECTION
1275 WEST WASHINGTON STREET, PHOENIX, AZ 85007-2926

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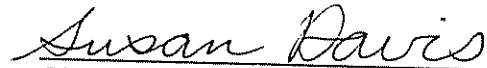
INTERGOVERNMENTAL AGREEMENT DETERMINATION

A.G. Contract No. KR01-1294TRN, an Agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the Undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

DATED June 12, 2002.

JANET NAPOLITANO
Attorney General



SUSAN E. DAVIS
Assistant Attorney General
Transportation Section

SED:heh

Enclosure

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